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AMCONSUL DUBAI PRIORITY

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TAGS: [ETTC](#) [IR](#) [MTCRE](#) [PARM](#) [PREL](#) [TW](#) [AE](#)

SUBJECT: TAIWAN RESPONSE TO NON-PAPER: POSSIBLE EXPORTS TO
IRAN VIA THE UAE BY TAIWAN'S ARIX CNC MACHINES

REF: 07 STATE 149633

Classified By: Stephen M. Young, AIT Director, for reasons 1.4(b) and (d)

¶1. (S) On January 31, AIT received the Bureau of Foreign Trade (BOFT) of the Taiwan Ministry of Economic Affairs' response to reftel non-paper. An unofficial AIT translation of BOFT's response follows:

¶2. (S) BEGIN TRANSLATION

Subject: Possible exports of controlled items by Arix CNC Machines Co. to Iran via the UAE

Explanation:

¶1. This action was made in response to AIT's letter dated October 26, 2007, with BOFT's filing number SS 149633.

¶2. To prevent Arix CNC Machines Co., Ltd. (Arix) from shipping machine tools to Iran for weapons proliferation purposes, BOFT has adopted vigorous control measures with respect to the company, including:

- a. Sending an official letter to the Directorate General of Customs to list Arix as a high risk firm in Customs Risk Management System;
- b. Sending an official letter to Arix requesting that Arix obtain permits prior to exporting controlled commodities to its foreign trading partners who are related to particular UAE and Iran entities; and
- c. Putting Arix on a list of companies for regular outreach conducted by BOFT.

¶3. BOFT's investigation showed no Iran-bound exports made by Arix from June to December 2007. However, BOFT found three exports of mini vertical center, type V450, made by Arix to Dubai, UAE. Based on the report by the Verification Office of BOFT's SHTC Verification and Inspection Task Force, the mini vertical centers were not SHTC controlled and the foreign consignees, American Households and Nasr Ghaleb, were not on any international blacklists or on Taiwan Customs Risk Management System.

¶4. Based on the information obtained by BOFT, there is no evidence to indicate that Arix violated Taiwan's export control regulations. Regardless, on December 14, 2007, BOFT referred the matter to the Ministry of Justice Investigation Bureau to investigate whether Arix exported the three mini vertical centers to Iran, via the UAE, to evade Taiwan's export control regulations.

END TRANSLATION
WANG

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